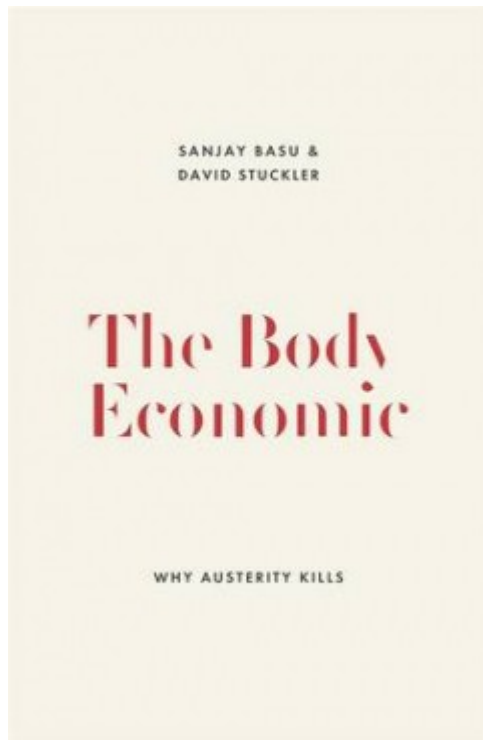


“The Body Economic”



[Sanjay Basu & David Stuckler, Penguin Books Ltd, 2013- ISBN13: 978846147838] 256 pages, English.

In their new book, "The Body Economic: Why Austerity Kills," economist David Stuckler and physician Sanjay Basu examine the health impacts of austerity across the globe. The authors estimate there have been more than 10,000 additional suicides and up to a million extra cases of depression across Europe and the United States since governments started introducing austerity programs in the aftermath of the economic crisis. For example, in Greece, where spending on public health has been slashed by 40 percent, HIV rates have jumped 200 percent, and the country has seen its first malaria outbreak since the 1970s. An economist and public health specialist, Stuckler is a senior research leader at Oxford University. Dr. Basu is a physician and epidemiologist who teaches at Stanford University. "Had austerity been organized like a clinical trial, it would've been discontinued given evidence of its deadly side effects," Stuckler says. "There is an alternative choice that we found in the historical data and through the present recessions: When we place people and their health at the center of economic recovery, it can help get our economy back on track faster and yield lasting dividends to our society."

Transcript

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AMY GOODMAN: "Early last month, a triple suicide was reported in the seaside town of Civitanova Marche, Italy. A married couple, Anna Maria Sopranzi, who was 68, and Romeo Dionisi, [who was] 62, had been struggling to live on her monthly pension of around 500 euros [around \$650 a month], and had fallen behind on rent.

"Because the Italian government's austerity budget had raised the retirement age, Mr. Dionisi, a former construction worker, became one of Italy's *esodati* (exiled ones)—older workers plunged into poverty without a safety net. On April 5, he and his wife left a note on a neighbor's car asking for forgiveness, then hanged themselves in a storage closet at home. When Ms. Sopranzi's brother, Giuseppe [Sopranzi, who was] 73, heard the news, he drowned himself in the Adriatic."

Those are the opening lines to a startling recent [article](#) in *The New York Times* headlined "How Austerity Kills." The authors of the piece, David Stuckler and Dr. Sanjay Basu, have just published a new book looking at the health impacts of austerity across the globe. The authors estimate there have been more than 10,000 additional suicides and up to a million extra cases of depression across Europe and the United States since governments started introducing austerity programs in the aftermath of the economic crisis. In Greece, where spending on public health has been slashed by 40 percent, HIV rates have jumped 200 percent, and Greece has seen its first outbreak in malaria since the 1970s.

David Stuckler is an economist and public health specialist. He's a senior research leader at Oxford University. Dr. Sanjay Basu is a physician and epidemiologist. He teaches at Stanford University. Together, they've written this new book, out today, called *The Body Economic: Why Austerity Kills—Recessions, Budget Battles, and the Politics of Life and Death*.

We welcome you both to *Democracy Now!* I'm glad you could both be together in one place, being at Stanford and being at Oxford. David, let's begin with you. Lay out the thesis of this book.

DAVID STUCKLER: We've been studying how recessions affect people's health over the past decade, looking at the Great Depression through the East Asian financial crisis, right through to the present Great Recession. And what we found is that recessions hurt. Unemployment, job loss, foreclosure, unpayable debt are risks to health. But what ultimately matters is how politicians respond. And when they make large cuts to social supports, social protections, they can turn recessions into severe epidemics.

AMY GOODMAN: So, explain. Give us examples in countries. I mean, this horrific story I just described of this triple suicide, the couple and then her brother. Talk about what people—what happens when policies go one way or the other.

DAVID STUCKLER: Greece is in the middle of a public health disaster, as you mentioned. To meet budget deficit reduction targets set by the so-called troika—the International Monetary Fund, the European Central Bank and European Commission—Greece has cut its health sector by more than 40 percent. At a time when homelessness is escalating and austerity has further driven up youth unemployment, we've seen HIV infections jump, concentrated in injection drug users. The malaria outbreak was linked to the cut in mosquito-spraying prevention programs, creating an outbreak that's much more costly to control than the short-term money saved by reducing the budget. Healthcare access has declined substantially. The majority of people who have lost access are pensioners who have contributed to the system their entire lives. And these are just a few of the many health effects seen in Greece, mirrored in Spain, Italy and, to some extent, the U.K. and the U.S.

AMY GOODMAN: We were just talking before the show about one of the suicides in Spain that became very well known. I wanted to turn to a clip. At the time, we were talking to a

former *Democracy Now!* producer, [María Carrión](#), about this case that occurred in Spain. The woman, David, was named?

DAVID STUCKLER: Amaia Egaña. It was a case of Spain's eviction suicides. Spain has a system where when people's homes are foreclosed, even if they default on their home, they're still liable to pay back the debt. So people are plunged into poverty and arrears at the same time, without support. We've seen this trigger large rises in suicides. Spain, Italy and Greece are at the high end of increases in economic suicides.

AMY GOODMAN: So, Amaia Egaña was 53 years old. She jumped from a balcony to her death as she was about to be evicted. María Carrión appeared on the show to talk about Amaia's suicide.

MARÍA CARRIÓN: Amaia is a former city council member in a town—the town of Barakaldo in the Basque Country. And her case is especially tragic because she actually didn't share just how bad off the situation was even with her husband. So, most people had no idea that there was a whole—there had been a repossession and an eviction process. She was so desperate and so ashamed of the situation that she jumped out of her balcony, her fourth floor apartment, as court employees came to evict her. This comes two weeks after police found a man dead in his apartment as they went in to evict him from his home after repossession.

And—but, you know, the movement to stop these evictions and repossessions has been working very hard on this for almost two years, and this is just the watershed. This has been the one situation that has actually forced government and the opposition and banks to come to the table and talk about real reform. Before this, you had these evictions taking place—500 orders every single day—silently. And thanks to the 15M movement—this is—was the Occupy movement in Spain just over a year ago—the platform against evictions was incredibly energized. And so, they have been able to stop hundreds of evictions.

But those are evictions of people who come to them and who say, you know, "My home is being repossessed. I'm facing eviction. Can you help me?" There are a lot of people like Amaia who did not do this, out of perhaps a sense of guilt or embarrassment. And so, her case is really representative and emblematic of what has gone wrong in Spain with, you know, thousands of people being left homeless after repossession and eviction.

AMY GOODMAN: David Stuckler, you were in Spain when Amaia killed herself.

DAVID STUCKLER: I was at a conference with the Barcelona Public Health Agency. The meeting got cut short as protests erupted onto the streets of Barcelona. People were outraged at the eviction-suicide of Amaia, at the hardship perpetuated by deep budget cuts under the Rajoy government in Spain.

AMY GOODMAN: On April 4, 2012, a 77-year-old retired Greek pharmacist named Dimitris Christoulas shot and killed himself near the Greek Parliament after writing a note that blamed his suicide on the economic crisis. His daughter Emi spoke at his funeral and said his act had been deeply political.

EMI CHRISTOULAS: [translated] You found it unacceptable that they were killing our freedom, our democracy, our dignity. You found it unacceptable as they tightened the harsh noose of economic austerity and apartheid around us, to the unacceptable act of surrendering

our independence and the keys to the country. It was unacceptable to you that Greece did not acknowledge its children and its children did not recognize their own country. You found the bestiality of capitalism unacceptable, that it infiltrated our lives and no one tried to stop it. Then, you made your decision to become the fear, the death, the memory, the sorrow of our ruined lives.

AMY GOODMAN: Sanjay Basu, you have found more than 10,000 additional suicides and up to a million extra cases of depression across Europe and the United States. Since when? How did you come up with these figures?

DR. SANJAY BASU: Right. One of the major questions we asked here: Is this inevitable during a recession? Recessions are bad times. Could this just be the recession's effects as opposed to austerity's effects? And so, what we did is used so-called natural experiments. We compared regions and countries since the beginning of the recession, and even beforehand, to control for people's pre-existing conditions, pre-existing mental health and alcoholism and so forth, and also compared areas that faced the same economic shock but had different policy responses. And looking at those as comparative cases, we could find that, in fact, during recessions, inevitably suicides or alcoholism didn't increase, but rather, it was after austerity, in particular. And controlling for other factors that could statistically explain this, austerity consistently came up as a key trigger not just for suicides, but for alcohol, stress-related heart attacks and other major causes of death.

AMY GOODMAN: Now, this is the key point here, is the difference—I mean, people can say, "Well, hard times lead to, you know, very painful decisions that people make."

DR. SANJAY BASU: Mm-hmm.

AMY GOODMAN: But that you're saying that even in equally difficult situations, when countries opt for another solution, the public health of that community changes.

DR. SANJAY BASU: Correct. We can look, for example, at Iceland as a contrast. Now, Greece and Iceland are very different socially, politically and economically, but Iceland serves as a nice case in point right now. They had faced a debt at 800 percent of GDP, the largest banking crisis in history compared to the size of the economy.

AMY GOODMAN: When their banks failed, their three top banks failed.

DR. SANJAY BASU: Correct, all three major banks failed. And they had invested, of course, in U.S. mortgage-backed securities. After this, the Iceland politicians decided to do something truly unique as compared to the rest of Europe. They actually put the austerity plan to a public vote. And the public voted that instead of paying off bankers' debts immediately through public cuts, they would instead do it gradually. They would still bail out their banks, but over the course of time and with great pace towards preserving their social safety net. And indeed what Iceland ended up doing was maintaining some of the healthiest standards in the world and the highest level of happiness.

AMY GOODMAN: We were just joined by the Icelandic Parliamentarian [Birgitta Jónsdóttir](#) on *Democracy Now!* here in New York—she had just come in from Iceland—talking about how Iceland recovered from the collapse of its banking system. A part of what the country did, as you said, was to preserve its universal healthcare system.

BIRGITTA JÓNSDÓTTIR: Actually, everybody has the same access to health and education. So even I, as an MP, ended up in a hospital in November, and I got exactly the same treatment as the woman working in the factory or in McDonald's or Domino's. And I like that. I love that. I think that is so important. And so, we pay just about the same amount of taxes as U.S. taxpayers. We don't have to live in this insurance jungle. So we just, you know—and that was actually one of the first things they wanted to slash down, the IMF—no surprise.

AMY GOODMAN: They preserve their healthcare system.

DR. SANJAY BASU: Mm-hmm. And indeed she highlights one of the key issues here, which is that there's a great misunderstanding around debts and deficits. When we face a liquidity crisis, meaning that there's a collapse in demand in the system, we actually find, quite robustly, through peer-reviewed journals and consistent with those of our colleagues, that stimulus early on does not actually produce higher, longer-term debts, but it generates the revenue and the building of the economic cycle that allows us to pay off those longer-term debts. By contrast, these short-term cuts end up so slowing the economic cycle that we find both economic and public health devastation as a result.

AMY GOODMAN: After break, I want to talk about the U.S., but, David Stuckler, you said you looked at the labor policies of places like Sweden and Finland in times of recession.

DAVID STUCKLER: It's a remarkable case study. It alludes to what Sanjay mentioned earlier. Sweden faced a large banking crisis. Unemployment jumped by more than 10 percentage points. And yet suicides fell steadily. What we learned is that when politicians managed the consequences of unemployment well, they were able to prevent a mental health crisis. The specific programs we found are called active labor market programs. These help the newly unemployed link to caseworkers, develop an action plan and return into jobs. They treat unemployment like the pandemic it is. It not only saves money on healthcare bills, but even pays for itself by helping spur economic recovery.

AMY GOODMAN: We're going to talk about what choices the United States is making, with David Stuckler and Sanjay Basu. Their book is called *The Body Economic: Why Austerity Kills*. Stay with us.

[break]

AMY GOODMAN: The Centers for Disease Control and Prevention recently revealed the suicide rate in people aged 35 to 64 rose by nearly 30 percent over the past decade, to 17.6 deaths per 100,000. The biggest increase was seen for men in their fifties, where the suicide rate increased 50 percent. Overall, suicides are now a greater cause of death in the United States than car accidents. CDC Director Thomas Frieden recently spoke to *PBS NewsHour*.

DR. THOMAS FRIEDEN: We don't know what specifically is causing it, but the trend has been consistent. And, if anything, our numbers would underestimate the gravity of the problem. And, of course, even one death from suicide is a terrible tragedy, and many of them are preventable. We know that in times of financial stress, there is generally an increase in suicides. We also know that this is a generation that grew up at a time when they expected more than some have been able to achieve in their lives, and also that they're stressed with

what their kids are going through and what their parents are going through. So it's, in some ways, the sandwich generation.

AMY GOODMAN: That's CDC Director Thomas Frieden on PBS. We're joined by David Stuckler and Sanjay Basu. They are authors of *The Body Economic: Why Austerity Kills*. David Stuckler is a senior research leader at Oxford University, and Sanjay Basu is an assistant professor of medicine and epidemiologist at Stanford University. If you could respond, Dr. Basu, to Dr. Frieden's comment?

DR. SANJAY BASU: Yeah, I certainly agree with Dr. Frieden's comment. And what we have found in our research is that these suicide rate spikes seem to correspond quite closely to state-level unemployment rates. And in particular, when we do these long-term studies that track individuals before the recession, during the recession and after, we can control for their pre-existing mental health statistically, and we find that it's the new unemployment that seems to trigger new onset of depression and suicide, particularly among our most vulnerable, adults over 50, who, when they lose a job, are often discriminated against or have a very hard time finding new work. There's a great deal of shame, and also it's quite hard for our healthcare system to access those individuals, given the degree of barriers that they have, social barriers, to accessing mental healthcare.

AMY GOODMAN: I mean, the point for people to understand in this country is, what's unusual for us, compared to other countries, is that when we lose our jobs, we lose our health insurance.

DR. SANJAY BASU: Absolutely. And we do have some safety nets in the form of Medicaid, Medicare, but it's quite true that there are some large holes in that system, as has been repeated time and time again.

AMY GOODMAN: During an interview on Fox News in February, Republican Senator Lindsey Graham of South Carolina suggested slashing healthcare to stop scheduled sequester cuts from, quote, "destroying the military."

SEN. LINDSEY GRAHAM: The commander-in-chief thought—came up with the idea of sequestration, destroying the military and putting a lot of good programs at risk. Here's my belief. Let's take "Obamacare" and put it on the table. You can make \$86,000 a year in income and still get a government subsidy under "Obamacare." "Obamacare" is destroying healthcare in this country. People are leaving the private sector because their companies can't afford to offer "Obamacare." If you want to look at ways to find \$1.2 trillion in savings over the next decade, let's look at "Obamacare." Let's don't destroy the military and just cut blindly across the board.

AMY GOODMAN: David Stuckler, can you respond to Senator Graham?

DAVID STUCKLER: Austerity in health is a false economy. The cliché, an ounce of prevention is worth a pound of cure, is really true. New York City officials learned this the hard way in the early 1990s, when they cut TB prevention programs by \$120 million but ended up with a drug-resistant TB outbreak that cost more than \$1.2 billion to control. What we found is that smart investments in public health can have a return on investment, for each dollar, of up to \$3.

AMY GOODMAN: So, talk about the healthcare system, Dr. Sanjay Basu, how sequester fits in, and also just what Lindsey Graham was talking about, "Obamacare."

DR. SANJAY BASU: So, I'm not a politician and—but I do analyze data. And I think, in looking comparatively among OECD countries, you see a lot of false claims about the U.S. health system. Why is it that we cost so much more and seem to be getting less? I think comparing our country to other OECD stations provides some sense of what—

AMY GOODMAN: You're talking about European countries?

DR. SANJAY BASU: European, as well as Japan, Australia and so forth. And you can see a lot of the myths by just looking at the data. So, what are the theories? The theory is, for example, maybe it's just American obesity. Well, actually, the costs started well before American obesity and doesn't seem to correspond actually statistically to obesity. Maybe it's that we have an older population, but not so. Switzerland actually pays more in nursing home care. Japan has an older population, yet they still pay less while getting more in terms of health. Maybe it's just technology. We do a lot of research and development. But, in fact, if you look at the Securities and Exchange Commission data, the R&D pharmaceutical industry, while making—

AMY GOODMAN: Research and development of the pharmaceutical companies.

DR. SANJAY BASU: Sure. While they make a higher percent profit as a percentage of revenue than any other Fortune 500 industry at the moment, they actually spend almost double on marketing as compared to research and development. And while we do use more technology and we do tend to have some higher costs from technology, it doesn't actually explain the majority of the bundle.

What you do see, on the other hand, if you just look at the raw data, is that we get more—we get more incentives in order to test the people who are covered, in order to bill more. And there's a lot of companies making quite a bit of money on that margin. You can go to one hospital across town and be charged double or more of what another hospital has on a different side of town. But it's not like a consumer market. If I'm in a car accident, I can't say to the surgeon, "Hold my hand there for a moment before sewing it back on. I'm just going to go across town and compare prices for a minute."

So healthcare is a different kind of industry, in which we have what is classically called "market failure" by the Nobel Prize winner Kenneth Arrow back in the '60s, but people ignored his work. I think what we really have is a system where we confuse inequality with choice. The majority of our costs come from common conditions in a small number of patients who have complications of diabetes, heart failure, hypertension. And we need more primary care prevention rather than paying for the ICU care.

AMY GOODMAN: I wanted to go back, and this is a theme you follow in *The Body Economic*, to the Depression. Going back to the Great Depression and the New Deal, this is President Franklin Delano Roosevelt speaking in 1933.

PRESIDENT FRANKLIN DELANO ROOSEVELT: It is three months, my friends, since I have talked with the people of this country about our national problems. But during this

period, many things have happened. And I am glad to say that the major part of them have greatly helped the well-being of the average citizen.

In the short space of these few months, I am convinced that at least four million have been given employment, or saying it another way, 40 percent of those seeking work have found it. That does not mean, my friends, that I am satisfied or that you are satisfied that our work has ended. We have a long way to go, but we are on the way.

We come to the relief, for a moment, of those who are in danger of losing their farms or their homes. I have publicly asked that the foreclosure on farms and cattles and homes be delayed until every mortgagor in the country has had full opportunity to take advantage of federal credit. And I make the further request that if there is any family in the United States about to lose its home or its farm, that family should telegraph at once, either to the Farm Credit Administration or the Home Loan Corporation in Washington, requesting their help.

AMY GOODMAN: That was President Franklin Roosevelt in 1933. I think this is going to be very interesting for a lot of people listening and watching this today. David Stuckler, the choices made then and the choices being made today?

DAVID STUCKLER: Completely different. Roosevelt took bold steps, at a time when debt was 180 percent of GDP, to boost financial relief to the newly unemployed, to save Americans from homelessness. And we've studied the effects of his landmark program, the New Deal, on health. And what we found is that, comparing the states, the red and blue states, that pushed it to different degrees—the blue states tended to go further with the New Deal than the red states—led to a polarization in public health outcomes across the U.S. The greater relief spending implemented under the New Deal helped reduce suicides, reduced tuberculosis and pneumonias, and was in fact the biggest and one of the most effective public health programs on U.S. soil.

AMY GOODMAN: When you hear politicians today saying, "We've got to cut 'Obamacare.' We've got to cut healthcare in this country," talk about what you found, what it means for the economy to invest in public health.

DAVID STUCKLER: Investing in public health is a wise choice in good times and an urgent necessity in the worst of times. Had austerity been organized like a clinical trial, it would have been discontinued, given evidence of its deadly side effects. There is an alternative choice that we found in the historical data and through the present recessions, that when we place people and their health at the center of economic recovery, it can help get our economy back on track faster and yield lasting dividends to our society.

AMY GOODMAN: The issue of the West Nile outbreak, can you talk about that?

DR. SANJAY BASU: Mm-hmm. Down in Bakersfield in California, there was a suspicion about why crows were dropping from the sky and people were also showing up in hospitals. A variety of theories were posited, ranging from polio to heat stroke, but in fact it amounted to a West Nile outbreak that, through a number of our colleagues' research, it was found that the abandoned and foreclosed homes had stagnant water in old swimming pools and in other locations that were breeding mosquitoes. And this led to a rather large West Nile outbreak. Indeed, the reason why it was discovered was something called the California Encephalitis

Project, a group of public system laboratories that work in concert with the CDC. And ironically, after helping to control that outbreak, they were closed due to budget cuts.

AMY GOODMAN: I want to turn to the issue of drug abuse. A recent film by *Vice* has brought renewed attention to the drug crisis in Greece, particularly the use of the new drug called sisa. This is Haralampos Pouloupoulos, head of KETHEA, the main anti-drug center in Greece.

DR. HARALAMPOS POULOPOULOS: Sisa is a form of crystal methamphetamine. They use amphetamines and some other liquids, sometimes battery liquids, to produce this drug. It's very dangerous for the health of the users. I think the main reason for the increase of sisa is the changes of the attitudes of drug users during the crisis. They are more self-destructive. We have 27 percent unemployment, 62 percent the young people under 25. We didn't finish yet with the crisis. We are in the middle of the crisis.

AMY GOODMAN: Haralampos Pouloupoulos, head of the main anti-drug center in Greece. David Stuckler, talk about that, and also relate it to here, as we wrap up.

DAVID STUCKLER: This is a devastating situation we're seeing in Greece with a drug crisis escalating at a time when drug prevention budgets are being cut. With gaping holes in social safety nets from austerity, people are becoming desperate, turning to the means of self-harm. We've seen drug use and infected needles spread HIV, creating rise of more than 200 percent, leading to an epicenter of HIV/AIDS spread in Europe.

What we can learn from these mistakes, and areas where we see successes in policy, is that recessions can hurt, but austerity kills. When politicians make smart choices to protect people during hard times, it doesn't happen at expense of recovery but can help put our societies back on track to a happier, healthier future.

AMY GOODMAN: And here in the United States, how that translates into policy?

DAVID STUCKLER: Currently, we're facing and implementing a large sequester in the U.S. While it's too early to see the full health consequences, what we are seeing is the Women, Infants, Children's health program, which provides nutritional subsidies to women, will be forced to reduce those subsidies from 600,000 pregnant women. And that program has been linked to reducing infant mortality. We're also seeing large cuts to public housing budgets at a time when 1.4 million homes are still in foreclosure. We are concerned that, if done rapidly and indiscriminately, that budget cuts in the U.S. could create a repeat of the disasters that we're seeing in Europe.

AMY GOODMAN: Final comment, what most shocked you in writing *The Body [Economic]*, Sanjay Basu?

DR. SANJAY BASU: You know, coming from the public health field, we have something called the "precautionary principle," which is that when a idea or policy is controversial, we should first do whatever protects people the most. And what we're doing is entirely the opposite. We've essentially had a massive untested experiment. That experiment has failed, and it sounds like it's quite deadly, given all the data through history.

AMY GOODMAN: I want to thank you both for being with us. Sanjay Basu is an epidemiologist at Stanford University. David Stuckler, Oxford University. Their new book, out today, *The Body Economic: Why Austerity Kills—Recessions, Budget Battles, and the Politics of Life and Death*.